

**MANAGEMENT'S RESPONSE TO AUDITOR'S COMMENTS
ON REPORTABLE CONDITIONS RELATED TO INTERNAL
CONTROL STRUCTURE OF THE STATE FUNDED SENIOR CENTER**

Management of the New Orleans Council On Aging, Inc. will obtain responses on the Auditor's comments from each Senior Center and forward to the office of the State Legislative Auditor.

This report is intended for the information of the audit committee, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

John C. Fald, Jr., C.P.A.

Metairie, Louisiana
December 5, 1996

John C. Todd, Jr., C.P.A., P/C

A PROFESSIONAL ACCOUNTING CORPORATION
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED AN AUDIT OF GENERAL PURPOSE OR
BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
New Orleans Council on Aging, Inc.

I have audited the financial statements of the New Orleans Council on Aging, Inc. State Funded Senior Centers for the year ended June 30, 1996, and have issued my report thereon dated December 5, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the New Orleans Council on Aging, Inc. State Funded Senior Centers, is the responsibility of the New Orleans Council on Aging, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the New Orleans Council on Aging, Inc.'s State Funded Senior Centers compliance with certain provisions of laws, regulations, contracts and grants. However, my objective was not to provide an opinion or overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

2. Preparation of Form 990 - Return of Organization Exempt From Income Tax

I was unable to obtain a copy of the Form 990 - Return of Organization Exempt From Income Tax. As of the date of my report the Center's Executive Director had not received a copy of the return from his accountants nor could he confirm that a proper extension of time to file a late return had been prepared and received from the Internal Revenue Service. The center could possibly be liable for penalties and interest, if in fact, the return is filed late without an approved extension.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "John C. Todd, Jr., C.P.A.".

Metairie, Louisiana
December 5, 1996

In planning and performing my audit of the financial statements of the New Orleans Council on Aging, Inc. State Funded Senior Centers for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedure and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable Conditions

Ambrose Hubbs Senior Center

1. Cash Balance / Bank Reconciliations

The center utilizes a double entry cash receipts and cash disbursement system but does not maintain a general ledger. Cumulative balance sheet and revenue and expense balances are maintained each program year; however the center's cash balance per books only reflects the current program year balance.

My review of the center's monthly bank reconciliations indicated that only one month out of the year was reconciled to a cash balance per books.

I recommend that a cumulative cash balance be maintained and that monthly bank reconciliations be agreed to the center's cumulative cash balance.

John C. Todd, Jr., C.P.A., P/C

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
OR BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
New Orleans Council on Aging, Inc.

I have audited the financial statements of the New Orleans Council on Aging, Inc. State Funded Senior Centers for the year ended June 30, 1996 and have issued my report thereon dated December 5, 1996.

I have conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the New Orleans Council on Aging, Inc. State Funded Senior Centers is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

SUMMARY OF SENIOR CENTERS OTHER FUNDING - CONTINUED

Kingsley House & New Orleans Day Nursery Association, Inc. - Continued

State of Louisiana - Continued	
Neglect Investigation Program	223,412
Office of Mental Health -	
Children Crisis Management	311,914
Project Independence	3,980
 Orleans Parish - Children's Crisis Management	 39,052
 Other Funding, contributions, rental income, Investment income	 183,799

Lakeview Area Senior Adult Ministry, Inc.

United Way	50,651
Contributions, program service fees, fund raising and other revenues	94,330

Lower Algiers Senior Center

State of Louisiana	
Office of Urban Affairs and Development	
Legislative Enhancement Program	30,000
Contribution fund raiser, etc.	11,409

Realization, Inc.

State of Louisiana - Governor's Office of Urban Affairs and Development	26,000
Contributions, fund raisers, etc.	28,877

Philmat, Inc.

St. Monica Senior Center

Archdiocese of New Orleans	
Social Service Center Program	68,726

Uptown Shepherd Senior Center

State of Louisiana - Governor's Office of Urban Affairs and Development	26,000
Contributions, fund raisers, etc.	28,877

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

SUMMARY OF SENIOR CENTERS OTHER FUNDING - CONTINUED

Gordon Plaza Senior Center

Department of Housing and Urban Development	
Housing for the Elderly and Handicapped	503,900
Drug Elimination	72,919
State of Louisiana	
Housing Counseling and Development	179,000
Project Independence	21,000
Administration	12,000
Food Program	63,955
City of New Orleans	
Child Care	100,000
Housing Rehabilitation	900,000
Department of Health and Human Services	
City Wide Day Care	99,999

Kingsley House & New Orleans Day Nursery Association, Inc.

United Way	528,225
Total Community Action, Inc.	
Department of Health and Human Services	
Head Start Program	554,779
Department of Health and Human Services	
Title XIX Adult Care	281,642
State of Louisiana	
USDA State Food	98,800
Criminal Justice Grant	23,490
Veterans Administration -	
Adult Day Care - Health Program	15,370
Nursery School - Vendor Payments	6,094
Office of Community Services -	
Family Preservation	307,964

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

SUMMARY OF SENIOR CENTERS OTHER FUNDING

Ambrose Hubbs Senior Center

State of Louisiana - Governor's Office of Urban Affairs and Development	\$225,000
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Carrollton - Hollygrove Community Center

State of Louisiana	
Department of Health and Hospitals - Nutrition Program	11,856
Department of Health and Human Resources - Adult Day Care Program	55,008
Governor's Office of Urban Affairs and Development - Special Line Item Funds	74,000
Department of Veterans Affairs	30,315
City of New Orleans Special Grant	25,000

Central City Economic Opportunity Corporation, Inc.

State of Louisiana	
Child Care Food Program	42,819
Drug Abuse and Abatement	188,127

City of New Orleans	
Community Development	158,184

Total Community Action, Inc.	
Department of Health and Human Services Head Start Program	317,926
Fund Raisers, etc.	13,131

E.J. Morris Senior Center

State of Louisiana - Governors Office of Urban Affairs and Development	50,000
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**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATUS OF PRIOR YEAR AUDIT FINDINGS

June 30, 1996

The prior year audit report of the New Orleans Council on Aging, Inc. State Funded Senior Centers included several findings and recommendations. The current status of the prior year audit report findings follows:

	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Year Finding No</u>
<u>Ambrose Hubbs Senior Center</u>			
1. Payroll tax returns - penalties and interest	X		
2. Cash balance - bank reconciliations		X	1
3. Preparation of Form 990		X	2
4. Insurance coverage	X		
<u>Lower Algiers Senior Center</u>			
1. Payroll Tax Returns and Deposits	X		

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Philmat, Inc. (St. Monica Senior Center)

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted Expenditures
Salaries	\$17,500	\$17,500	\$ -
Fringe benefits	3,163	3,163	-
Operating services	3,735	3,735	-
Operating supplies	3,119	3,119	-
Other costs	<u>287</u>	<u>287</u>	<u>-</u>
 Total	 <u>\$27,804</u>	 <u>\$27,804</u>	 <u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Lower Algiers Senior Center

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted <u>Expenditures</u>
Salaries	\$29,010	\$29,010	\$ -
Fringe benefits	6,497	6,497	-
Operating services	7,568	7,568	-
Operating supplies	3,855	3,855	-
Other costs	<u>3,600</u>	<u>3,600</u>	<u>-</u>
 Total	 <u>\$50,530</u>	 <u>\$50,530</u>	 <u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Ambrose Hubbs Senior Center

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	Actual (Over) Under Budgeted Expenditures
Salaries	\$32,376	\$29,061	\$ 3,315
Fringe benefits	3,461	2,371	1,090
Travel	414	-	414
Operating services	13,277	17,949	(4,672)
Operating supplies	<u>1,919</u>	<u>2,066</u>	<u>(147)</u>
Total	<u>\$51,447</u>	<u>\$51,447</u>	<u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

E.J. Morris

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted <u>Expenditures</u>
Salaries	\$24,685	\$25,909	\$(1,224)
Fringe benefits	3,611	2,387	1,224
Operating services	8,388	8,388	-
Operating supplies	3,088	3,078	10
Other costs	<u>15,198</u>	<u>15,208</u>	<u>(10)</u>
 Total	 <u>\$54,970</u>	 <u>\$54,970</u>	 <u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Uptown Area Senior Audit Ministry, Inc.

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	Actual (Over) Under Budgeted Expenditures
Salaries	\$15,839	\$15,839	\$ -
Fringe benefits	1,668	1,668	-
Operating services	5,343	5,343	-
Operating supplies	1,892	1,892	-
Other costs	<u>3,062</u>	<u>3,062</u>	<u>-</u>
 Total	 <u>\$27,804</u>	 <u>\$27,804</u>	 <u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Kingsley House Adult Services

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted <u>Expenditures</u>
Salaries	\$16,426	\$16,543	\$(117)
Fringe benefits	3,701	3,577	124
Operating services	3,100	3,171	(71)
Operating supplies	<u>3,658</u>	<u>3,594</u>	<u>64</u>
 Total	 <u>\$26,885</u>	 <u>\$26,885</u>	 <u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Gordon Plaza Senior Center

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	Actual (Over) Under Budgeted Expenditures
Salaries	\$25,541	\$25,541	\$ -
Fringe benefits	4,969	4,969	-
Operating services	20,855	20,855	-
Operating supplies	912	912	-
Other costs	<u>16,167</u>	<u>16,167</u>	<u>-</u>
Total	<u>\$68,444</u>	<u>\$68,444</u>	<u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Central City Economic Opportunity Corporation, Inc.

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	Actual (Over) Under Budgeted Expenditures
Salaries	\$39,819	\$39,819	\$ -
Fringe benefits	6,583	6,584	(1)
Operating services	14,830	14,109	721
Operating supplies	9,092	9,812	(720)
Other	<u>3,968</u>	<u>3,968</u>	<u>-</u>
Total	<u>\$74,292</u>	<u>\$74,292</u>	<u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Reality House

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted <u>Expenditures</u>
Salaries	\$27,217	\$27,218	\$(1)
Fringe benefits	2,222	2,221	1
Operating services	10,553	10,555	(2)
Operating supplies	3,888	3,888	-
Other costs	<u>11,664</u>	<u>11,662</u>	<u>2</u>
 Total	 <u>\$55,544</u>	 <u>\$55,544</u>	 <u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Lakeview Area Senior Audit Ministry, Inc.

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted Expenditures
Salaries	\$18,732	\$18,732	\$ -
Fringe benefits	6,396	6,396	-
Travel	1,632	1,632	-
Operating services	<u>3,659</u>	<u>3,659</u>	<u>-</u>
Total	<u>\$30,419</u>	<u>\$30,419</u>	<u>\$ -</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

For the year ended June 30, 1996

Carrollton - Hollygrove Senior Center

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Actual (Over) Under Budgeted <u>Expenditures</u>
Salaries	\$33,592	\$33,592	\$ -
Fringe benefits	7,097	7,097	-
Operating services	15,447	16,394	(947)
Operating supplies	1,143	2,460	(1,317)
Other costs	<u>2,349</u>	<u>85</u>	<u>2,264</u>
 Total	 <u>\$59,628</u>	 <u>\$59,628</u>	 <u>\$ -</u>

<u>Lower Algiers Center</u>	<u>Saint Monica Center</u>	<u>Arthur Monday</u>	<u>Total</u>
\$29,010	\$17,500	\$37,828	\$339,690
6,497	3,163	3,882	53,659
-	-	339	4,735
7,568	3,735	25,655	142,634
3,855	3,119	2,328	37,016
<u>3,600</u>	<u>287</u>	<u>695</u>	<u>54,734</u>
<u>\$50,530</u>	<u>\$27,804</u>	<u>\$70,727</u>	<u>\$632,468</u>

NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS

STATEMENT OF STATE FUNDED SENIOR CENTER EXPENDITURES -
CONTINUED

Year ended June 30, 1996

	<u>E.J. Morris Center</u>	<u>Ambrose Hubbs Center</u>
Expenditures		
Salaries	\$25,909	\$29,061
Fringe benefits	2,387	2,371
Travel	-	-
Operating services	8,388	17,949
Operating supplies	3,078	2,066
Other costs	<u>15,208</u>	<u>-</u>
Total expenditures	<u>\$54,970</u>	<u>\$51,447</u>

<u>Reality House Center</u>	<u>Central City Center</u>	<u>Gordon Plaza Center</u>	<u>Kingsley House Center</u>	<u>Uptown Shepherd Center</u>
\$27,218	\$39,819	\$25,541	\$16,543	\$15,839
2,221	6,584	4,969	3,577	1,668
-	-	-	-	-
10,555	14,109	20,855	3,171	5,343
3,888	9,812	912	3,594	1,892
<u>11,662</u>	<u>3,968</u>	<u>16,167</u>	<u>-</u>	<u>3,062</u>
<u>\$55,544</u>	<u>\$74,292</u>	<u>\$68,444</u>	<u>\$26,885</u>	<u>\$27,804</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

STATEMENT OF STATE FUNDED SENIOR CENTER EXPENDITURES

Year ended June 30, 1996

	<u>Senior Center Coordinator</u>	<u>Carrollton Hollygrove Center</u>	<u>Lakeview Shepherd Center</u>
Expenditures			
Salaries	\$23,098	\$33,592	\$18,732
Fringe benefits	2,847	7,097	6,396
Travel	2,764	-	1,632
Operating services	5,253	16,394	3,659
Operating supplies	12	2,460	-
Other costs	<u>-</u>	<u>85</u>	<u>-</u>
Total expenditures	<u>\$33,974</u>	<u>\$59,628</u>	<u>\$30,419</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

**STATEMENT OF REVENUE AND EXPENDITURES AND
CHANGES IN FUND BALANCE BY GRANT**

For the year ended June 30, 1996

	<u>Senior Center Funds</u>	<u>Miscellaneous Grants</u>	<u>Total</u>
Revenue			
Grant award (Note D)	\$335,400	\$277,000	\$612,400
Expenditures			
Salaries	53,715	-	53,715
Fringe benefits	6,322	-	6,322
Travel	2,034	-	2,034
Operating services	30,133	-	30,133
Operating supplies	3,293	-	3,293
Other costs	732	-	732
Other costs - full service	<u>526,848</u>	<u>-</u>	<u>526,848</u>
	<u>623,077</u>	<u>-</u>	<u>623,077</u>
Excess (deficiency) of revenues over expenditures	(287,677)	277,000	(10,677)
Other financing sources (uses)			
Operating transfers in	287,677	-	287,677
Operating transfers out	-	(277,000)	(277,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
Fund balance at July 1, 1995	<u>\$ 856</u>	<u>-</u>	<u>856</u>
Fund balance at June 30, 1996	<u>\$ 856</u>	<u>\$ -</u>	<u>\$ 856</u>

SUPPLEMENTAL INFORMATION

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

Note B - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

3. Property and Equipment

Property and equipment is charged to expense in the year of acquisition.

4. Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, advances are accounted for through various due from and due to accounts.

Note C - RENTAL EXPENSE

Rental expense for the State Funded Senior Centers for the year ended June 30, 1996 amounted to \$40,576.

Note D - SUMMARY OF FUNDING

The New Orleans Council on Aging, Inc. Senior Center operations are funded through the following grants from the State of Louisiana:

	<u>Grant Period</u>	<u>Grant Award</u>
State of Louisiana		
Office of Elderly Affairs		
Senior Center Funds	7/1/95 - 6/30/96	\$335,400
Miscellaneous Grant	7/1/95 - 6/30/96	<u>277,000</u>
		<u>\$612,400</u>

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

Note A - REPORTING ENTITY

The accompanying financial statements include the balance sheet and the statement of revenue and expenditures and changes in fund balance of the New Orleans Council on Aging, Inc. State Funded Senior Centers and not that of the New Orleans Council on Aging, Inc. Accordingly the accompanying financial statements are not intended to present the financial position of the New Orleans Council on Aging, Inc. as of June 30, 1996.

The New Orleans Council on Aging, Inc. directly operates the Arthur Monday senior center. All other senior center programs are operated by each center's Board of Directors.

Note B - SUMMARY OF ACCOUNTING POLICIES

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Presentation of Financial Statements

The accompanying financial statements are presented on the accrual basis of accounting.

2. Method of Accounting

The records of the New Orleans Council on Aging, Inc. State Funded Senior Centers are maintained in accordance with the principles of fund accounting. Accordingly, resources for various programs are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

**STATEMENT OF REVENUE AND EXPENDITURES AND
CHANGES IN FUND BALANCE**

For the year ended June 30, 1996

	<u>Amount</u>
Revenue	
Grant awarded (Note D)	\$612,400
Expenditures	
Salaries	60,926
Fringe benefits	6,729
Travel	3,103
Operating services	30,908
Operating supplies	2,340
Other costs	695
Other costs - full service	<u>527,767</u>
	<u>632,468</u>
Excess (deficiency) of revenues over expenditures	(20,068)
Other financing sources	
Operating transfers in	20,068
Excess (deficiency) of revenues and other sources over expenditures and other uses	-
Fund balance at July 1, 1995	<u>856</u>
Fund balance at June 30, 1996	<u>\$ 856</u>

See accompanying notes to financial statements.

NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS

BALANCE SHEET

June 30, 1996

ASSETS

Due from New Orleans Council
on Aging, Inc.

\$856

FUND BALANCE

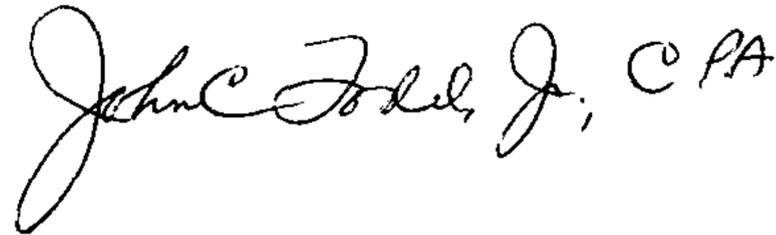
Fund balance

\$856

See accompanying notes to financial statements.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial statements listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the New Orleans Council on Aging, Inc. State Funded Senior Centers. Such information has been subjected to the auditing procedures applied in the examination of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated December 5, 1996 on my consideration of New Orleans Council on Aging, Inc.'s State Funded Senior Center internal control structure and a report dated December 5, 1996 on its compliance with laws and regulations.

A handwritten signature in cursive script that reads "John C. Fobels, Jr., CPA". The signature is written in black ink and is positioned to the right of the main body of text.

Metairie, Louisiana
December 5, 1996

John C. Todd, Jr., C.P.A., P/C

A PROFESSIONAL ACCOUNTING CORPORATION
4201 LIME STREET METAIRIE, LOUISIANA 70006
TELEPHONE: (504) 887-6967

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Orleans Council on Aging, Inc.

I have audited the balance sheet of the New Orleans Council on Aging, Inc. State Funded Senior Centers as of June 30, 1996, and the statement of revenue and expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the New Orleans Council on Aging, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note A, the financial statements presented are only for the New Orleans Council on Aging, Inc. - State Funded Senior Centers, and are not intended to present fairly the financial position and results of operations of the New Orleans Council on Aging, Inc. in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Orleans Council on Aging, Inc. State Funded Senior Centers as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

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**NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS**

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***NEW ORLEANS COUNCIL ON AGING, INC.
STATE FUNDED SENIOR CENTERS***

***FINANCIAL STATEMENTS AND
AUDITOR'S REPORT***

***June 30, 1996
With
Supplemental Information***

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date 3-26-97